

BOND ORDINANCE NO. 6-2016

BOND ORDINANCE TO AUTHORIZE THE UNDERTAKING OF THE WOODFIELD AREA WATER SYSTEM REHABILITATION PROJECT IN, BY AND FOR THE WATER UTILITY OF THE TOWNSHIP OF ABERDEEN, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, TO APPROPRIATE THE SUM OF \$3,300,000 TO PAY THE COST THEREOF, TO APPROPRIATE MONEYS FROM THE WATER UTILITY CAPITAL IMPROVEMENT FUND, TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH APPROPRIATION AND TO PROVIDE FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS.

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WHEREAS, the Township Council of the Township of Aberdeen, in the County of Monmouth, State of New Jersey (the "Township") hereby determines that it is necessary to authorize and provide for the financing of the Woodfield Area Water System Rehabilitation Project, including all work, materials and appurtenances necessary and suitable therefor; and

WHEREAS, the Township Council has heretofore authorized the filing of a loan application by the Township for the financing of allowable costs of the aforesaid project with the New Jersey Environmental Infrastructure Financing Program (the "State Program"); NOW, THEREFORE,

BE IT ORDAINED by the Township Council of the Township of Aberdeen, in the County of Monmouth, State of New Jersey, as follows:

Section 1. The Township of Aberdeen, in the County of Monmouth, State of New Jersey (the "Township") is hereby authorized to undertake the Woodfield Area Water System Rehabilitation Project

in, by and for the Water Utility of the Township, including the making of related improvements and all work, materials and appurtences necessary and suitable therefor.

Section 2. The sum of \$3,300,000 is hereby appropriated to the payment of the cost of making the improvement described in Section 1 hereof (hereinafter referred to as "purpose"). Said appropriation shall be met from the proceeds of the sale of the bonds authorized and the Water Utility Capital Improvement Fund moneys appropriated by this ordinance. No down payment is required for this bond ordinance pursuant to the provisions of N.J.S.A. 40A:2-11(c) and 40A:2-7(h). Said improvement shall be made as a general improvement and no part of the cost thereof shall be assessed against property specially benefited.

Section 3. It is hereby determined and stated that (1) said purpose is not a current expense of said Township, and (2) it is necessary to finance said purpose by the issuance of obligations of said Township pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes Annotated, as amended; the "Local Bond Law"), and (3) the estimated cost of said purpose is \$3,300,000, and (4) \$75,000 of said sum is to be provided by the Water Utility Capital Improvement Fund moneys hereinafter appropriated to finance said purpose, and (5) the estimated maximum amount of bonds or notes necessary to be issued for said purpose is \$3,225,000, and (6) the cost of such purpose, as hereinbefore

stated, includes the aggregate amount of \$800,000 which is estimated to be necessary to finance the cost of such purpose, including architect's fees, accounting, engineering and inspection costs, legal expenses and other expenses, including interest on such obligations to the extent permitted by Section 20 of the Local Bond Law.

Section 4. It is hereby determined and stated that the Water Utility would have been self-liquidating, as defined in Section 47(a) of the Local Bond Law, during the fiscal year beginning January 1, 2015, had there been included in the interest and debt redemption charges for such year an amount equal to interest for one year at the rate of four and one half percentum (4½%) per annum on said bonds or notes, and the amount of the first installment of serial bonds legally issuable to finance such purpose plus an amount for charges as aforesaid with respect to all bonds and notes authorized but not issued for such Water Utility.

Section 5. It is hereby determined and stated that moneys exceeding \$75,000, appropriated for the Water Utility Capital Improvement Fund in Water Utility budgets heretofore adopted for the Township, are now available to finance said purpose. The sum of \$75,000 is hereby appropriated from such moneys to the payment of the cost of said purpose.

Section 6. To finance said purpose, bonds of said Township of an aggregate principal amount not exceeding \$3,225,000

are hereby authorized to be issued pursuant to the Local Bond Law. Said bonds shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law. All matters with respect to said bonds not determined by this ordinance shall be determined by resolutions to be hereafter adopted.

Section 7. To finance said purpose, bond anticipation notes of said Township of an aggregate principal amount not exceeding \$3,225,000 are hereby authorized to be issued pursuant to the Local Bond Law in anticipation of the issuance of said bonds. In the event that bonds are issued pursuant to this ordinance, the aggregate amount of notes hereby authorized to be issued shall be reduced by an amount equal to the principal amount of the bonds so issued. If the aggregate amount of outstanding bonds and notes issued pursuant to this ordinance shall at any time exceed the sum first mentioned in this section, the moneys raised by the issuance of said bonds shall, to not less than the amount of such excess, be applied to the payment of such notes then outstanding.

Section 8. Each bond anticipation note issued pursuant to this ordinance shall be dated on or about the date of its issuance and shall be payable at such times as may be hereafter determined within the limitations prescribed by law, shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law and may be renewed from time to time pursuant to and within limitations prescribed by the Local

Bond Law. Each of said bond anticipation notes shall be signed by the Mayor and by a financial officer and shall be under the seal of said Township and attested by the Municipal Clerk or Deputy Municipal Clerk. Said officers are hereby authorized to execute said notes in such form as they may adopt in conformity with law. The power to determine any matters with respect to said notes not determined by this ordinance and also the power to sell said notes, is hereby delegated to the Chief Financial Officer who is hereby authorized to sell said notes either at one time or from time to time in the manner provided by law.

Section 9. It is hereby determined and declared that the period of usefulness of said purpose, according to its reasonable life, is a period of forty years computed from the date of said bonds.

Section 10. It is hereby determined and stated that the Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the office of the Municipal Clerk of said Township, and that such statement so filed shows that the gross debt of said Township, as defined in Section 43 of the Local Bond Law, is increased by this ordinance by \$3,225,000, but said \$3,225,000 shall be deducted from gross debt pursuant to Section 44(c) of the Local Bond Law and that the issuance of the bonds and notes authorized by this ordinance is permitted by an exception to

the debt limitations prescribed by the Local Bond Law as provided in Sections 47(a) and 7(h) of the Local Bond Law.

Section 11. Any funds received from private parties, the County of Monmouth, the State of New Jersey or any of their agencies or any funds received from the United States of America or any of its agencies in aid of such purpose (except any funds received as loans from the State Program which shall be applied to the payment of the cost of such purpose or to the payment of any outstanding bond anticipation notes, but shall not reduce the amount of bonds authorized for such purpose), shall be applied to the payment of the cost of such purpose, or, if bond anticipation notes have been issued, to the payment of the bond anticipation notes, and the amount of bonds authorized for such purpose shall be reduced accordingly.

Section 12. The capital budget is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency therewith and the resolutions promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director, Division of Local Government Services, is on file with the Municipal Clerk and is available for public inspection.

Section 13. The Township intends to issue the bonds or notes to finance the cost of the improvement described in Section 1 of this bond ordinance. If the Township incurs such costs prior to

the issuance of the bonds or notes, the Township expects to reimburse itself for such expenditures with the proceeds of such bonds or notes in the maximum principal amount of bonds or notes authorized by this bond ordinance.

Section 14. The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this ordinance. Said obligations shall be direct, unlimited and general obligations of the Township, and the Township shall levy ad valorem taxes upon all the taxable real property within the Township for the payment of the principal of and interest on such bonds and notes, without limitation as to rate or amount.

Section 15. This ordinance shall take effect twenty days after the first publication thereof after final passage.